

441—79.16 (249A) Payment reductions pursuant to executive order. The following payment provisions shall apply to services rendered during the period from December 1, 2009, to June 30, 2010, notwithstanding any contrary provision in this chapter.

79.16(1) Notwithstanding any provision of subrule 79.1(2), payment for covered services rendered by the following providers shall be reduced by 5 percent from the rates in effect November 30, 2009:

- a.* Ambulance services.
- b.* Ambulatory surgical centers.
- c.* Advanced registered nurse practitioners, including certified nurse-midwives.
- d.* Audiologists and hearing aid dealers.
- e.* Behavioral health providers.
- f.* Birth centers.
- g.* Chiropractors.
- h.* Clinics.
- i.* Durable medical equipment, medical supply, orthopedic shoe, and prosthetic device dealers.
- j.* Hospitals, not including services rendered by critical access hospitals or services billed under

the IowaCare program, but including:

- (1) Inpatient hospital care, including Medicaid-certified psychiatric and rehabilitation units.
- (2) Outpatient hospital care.
- (3) Indirect medical education payments.
- (4) Direct medical education payments.
- (5) Disproportionate-share payments (except for payments to the Iowa state-owned teaching hospital).

- k.* Independent laboratories and X-ray providers.
- l.* Independently practicing occupational therapists, physical therapists, and psychologists.
- m.* Lead inspection agencies.
- n.* Maternal health centers.
- o.* Optometrists and opticians.
- p.* Physicians, excluding services billed to the IowaCare program except for preventative examinations.
- q.* Podiatrists.
- r.* Rehabilitation agencies.
- s.* Screening centers.

79.16(2) Notwithstanding any provision of subrule 79.1(2), the basis of reimbursement for skilled nursing, physical therapy, occupational therapy, home health aide, and medical social services, and home health care for maternity patients and children provided by home health agencies shall be retrospective cost-related with cost settlement based on the lowest of the following:

- a.* The maximum Medicare rate in effect November 30, 2009,
- b.* The maximum Medicaid rate in effect November 30, 2009, less 5 percent, or
- c.* 100 percent of the reasonable and allowable Medicaid cost.

79.16(3) Notwithstanding any provision of subrule 79.1(2), the basis of reimbursement for private duty nursing and personal care for persons aged 20 or under provided by home health agencies shall be retrospective cost-related with cost settlement based on the lower of the following:

- a.* The maximum Medicaid rate in effect November 30, 2009, less 5 percent, or
- b.* 100 percent of the reasonable and allowable Medicaid cost.

79.16(4) Notwithstanding any provision of subrule 79.1(2) or 79.1(23), the basis of reimbursement for remedial services providers shall be consistent with the methodology described in subrule 79.1(23) except that the reasonable and proper cost of operation is equal to 100 percent of the actual and allowable cost subject to the established rate maximum less 5 percent.

79.16(5) Notwithstanding any provision of subrule 79.1(2) or rule 441—81.6(249A), the patient-day-weighted medians used in rate setting for nursing facilities shall be calculated and the rates adjusted to provide a 5 percent decrease in nursing facility rates (except for state-owned facilities).

79.16(6) Notwithstanding any provision of subrule 79.1(2) or rule 441—85.25(249A), the basis of reimbursement for non-state-owned psychiatric medical institutions for children shall be consistent with the methodology described in 441—subrule 85.25(1) except that the per diem rate shall be based on the facility's cost for the service, not to exceed the upper limit as provided in subrule 79.1(2) less 5 percent.

79.16(7) Notwithstanding any provision of subrule 79.1(2), payment for covered services rendered by dentists shall be reduced by 2.5 percent from the rates in effect November 30, 2009.

79.16(8) Notwithstanding any provision of subrule 79.1(2) or 79.1(25), the basis of reimbursement for community mental health centers shall be retrospective and cost-related with cost settlement limited to 97.5 percent of the provider's reasonable and allowable Medicaid cost.

79.16(9) Notwithstanding any provision of subrule 79.1(2), the basis of reimbursement for targeted case management services shall be as follows:

a. A provider-specific prospective cost-based interim rate shall be calculated based on the finalized state fiscal year 2009 cost report plus an inflation factor of 2.3 percent.

b. For a provider whose actual and allowable cost is less than the prospective cost-based interim rate calculated pursuant to paragraph "*a.*," the cost-settled amount paid to the provider shall be 100 percent of the provider's actual and allowable cost.

c. For a provider whose actual and allowable cost is greater than the prospective cost-based interim rate calculated pursuant to paragraph "*a.*," the cost-settled amount paid to the provider shall be the actual cost less 2.5 percent, not to be reduced below the prospective cost-based interim rate.

79.16(10) Notwithstanding any provision of subrule 79.1(2), payment for covered services rendered by home- and community-based waiver service providers shall be reduced by 2.5 percent from the rates in effect November 30, 2009.

a. Rates based on a submitted financial and statistical report shall be consistent with the methodology described in subparagraph 79.1(15)"*d*"(1) except that the inflation adjustment applied to actual, historical costs and the prior period base cost shall be reduced by 2.5 percent.

b. The retrospective adjustment of prospective rates shall be made based on revenues exceeding 100 percent of adjusted actual costs. Adjusted actual costs shall not exceed the upper limits as specified in subrule 79.1(2) less 2.5 percent.

This rule is intended to implement Executive Order Number 19 and Iowa Code chapter 249A.